

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4606-01
Bill No.: SB 1389
Subject: Higher Education, Privacy
Type: Original
Date: March 15, 2004

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
General Revenue *	\$0	(Unknown)	(Unknown)
Total Estimated Net Effect on General Revenue Fund *	\$0	(Unknown)	(Unknown)

* unknown expected to be greater than \$100,000.

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Local Government *	\$0	(Unknown)	(Unknown)

* unknown expected to be greater than \$100,000.

FISCAL ANALYSIS

ASSUMPTION

Officials from **Lincoln University**, the **Department of Higher Education**, **Truman State University**, **Southwest Missouri State University**, and the **University of Missouri** assume this proposal would have no fiscal impact to their organization.

Officials from the **Metropolitan Community Colleges** assume the proposal could result in significant losses to their organization from an inability to collect overdue student accounts and delinquent student loans.

Oversight assumes that the use of a Social Security Number for internal tracking and debt collection would be permissible under the proposal.

Officials from **Moberly Area Community College** assume this proposal would have an unknown impact on their organization, with an estimated conversion cost of \$5,000 to \$10,000 for the first year.

ASSUMPTIONS (continued)

Although officials from **Central Missouri State University** (CMSU) did not respond to our request for information, in response to a similar proposal CMSU assumed the proposal would result in no fiscal impact to their organization.

Although officials from the **St. Louis Community College System** (STLCC) did not respond to our request for information, in response to a similar proposal STLCC assumed it would cost in excess of \$20,000 to comply with the proposal's requirements.

Officials from **Missouri Southern State University - Joplin** (MSSU) assume they would incur costs of approximately \$60,000 to prepare for compliance with the proposal's requirements.

Officials from **Central Missouri State University, Harris-Stowe State College, Missouri Western State College, Northwest Missouri State University, Southeast Missouri State University, State Fair Community College, St. Louis Community College System, and Three Rivers Community College** did not respond to our request for information.

Oversight has shown unknown annual costs in excess of \$100,000 beginning in FY 2006 for the state's public higher education institutions to comply with this proposal's requirements. Although the proposal allows the institutions to continue using the Social Security Number if it notifies students of this practice, the proposal would require institutions to eliminate the Social Security Number at the request of a student. These costs have been shown in the state General Revenue Fund. Oversight has also shown unknown costs in excess of \$100,000 beginning in FY 2006 for community college districts.

<u>FISCAL IMPACT - State Government</u>	FY 2005 (10 Mo.)	FY 2006	FY 2007
GENERAL REVENUE FUND			
<u>Cost - Higher Education Institutions</u>			
Data processing *	<u>\$0</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE FUND *	<u>\$0</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
* unknown expected to be greater than \$100,000.			

FISCAL IMPACT - Local Government

FY 2005
(10 Mo.)

FY 2006

FY 2007

**COMMUNITY COLLEGE
DISTRICTS**

Cost - Higher Education Institutions

Data processing *

\$0

(Unknown)

(Unknown)

**ESTIMATED NET EFFECT ON
COMMUNITY COLLEGE
DISTRICTS ***

\$0

(Unknown)

(Unknown)

* unknown expected to be greater than \$100,000.

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

This proposal would prohibit public institutions of higher education from posting student social security numbers; requiring electronic transmission of social security numbers unless the connection is secured or password protected, and from using social security numbers on certain mailings unless state or federal law requires the number to be on such document. An institution may continue to use the social security number for student identification providing it notifies students of this practice annually, but an institution must stop such use at the request of any student. The proposal would become effective July 1, 2006.

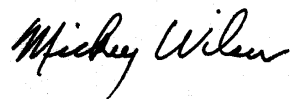
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Higher Education
Lincoln University
Moberly Area Community College
Metropolitan Community Colleges
Missouri Southern State University-Joplin
Southwest Missouri State University
Truman State University
University of Missouri

NOT RESPONDING

Central Missouri State University
Harris-Stowe State College
Missouri Western State College
Northwest Missouri State University
Southeast Missouri State University
State Fair Community College
St. Louis Community College System
Three Rivers Community College



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